
DVBE Instructions / Forms

Disabled Veteran Business Enterprise Participation (DVBE) Information

**DVBE Definition
(for this
document only)**

- A California firm whose ownership, daily management, and operational controls meets all statutory DVBE certification requirements, as documented by the possession of a certification letter issued by the Department of General Services, Office of Small Business and DVBE Services [OSDS] (hereafter referred to as DGS).

**California
Requirements**

- The State of California requires a three percent (3%) participation level in state contracts to further disabled veteran business enterprise (DVBE) participation in California.
- Only DVBEs, possessing a current DVBE certification issued by DGS, may be claimed for participation.
- Effective January 1, 2004, legislation was enacted to require all small businesses, microbusinesses, and disabled veteran business enterprises to perform a “commercially useful function” in any contract they perform for the State.

A business that is performing a commercially useful function is one that does all of the following:

1. Is responsible for the execution of a distinct element of the work of the contract.
2. Carries out its obligation by actually performing, managing or supervising the work involved.
3. Performs work that is normal for its business, services and function.
4. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

**DHCS Rights /
Requirements**

- Unless DVBE participation is exempted by the Department of Health Care Services (DHCS), a 3% DVBE participation level is required for all service contracts with a total value of \$10,000 or more.
- DHCS reserves the right to exempt any contract from DVBE participation when it is determined to be in the Department’s best interest to do so.
- DHCS reserves the right to waive DVBE participation requirements at any time prior to the bid/proposal submission deadline. Said waivers may be announced by way of verbal communication followed by written confirmation, a faxed or written correction notice, administrative bulletin, or bid document addendum.

**For DVBE
answers or
help, dial:**

(916) 650-0205

- DHCS reserves the right to waive “Good Faith Effort” advertising when DHCS believes that the bidding time lines set by DHCS do not permit sufficient advertising.
- DHCS reserves the right to contact bidders/proposers during the bidding/evaluation process to collect clarifying information or to request corrections, as necessary, to DVBE documentation.
- **The instructions herein must be strictly followed.** Failure to do so may be grounds for bid/proposal disqualification.
- **Dial (916) 650-0205, if you have a question or need assistance.**

**Participation
Requirements
of this
Solicitation**

- Each prime contractor must either achieve 3% DVBE participation **or** demonstrate that an adequate “Good Faith Effort” (GFE) was made to achieve DVBE participation.
 - Firms submitting bid responses with either less than 3% DVBE participation **and/or** a less than adequate GFE, will be deemed nonresponsive and ineligible to receive a contract award.
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DVBE Instructions

How to Calculate 3% Participation

Unless instructed otherwise in the bid document, first determine the total dollar value/amount that will be bid, then multiply this figure by 3% to determine how much of the contract budget should be spent on DVBE supplied services, labor, supplies, materials, or equipment.

How to Meet Participation Requirements

*Start right away,
do not delay.*

1. ***If the prime contractor IS a DVBE***, it must commit to use its own workforce alone or in combination with other DVBEs to perform commercially useful functions equal to no less than 3% of the contract bid amount. If this fits the bidding firm's situation, do the following:

Go to page 5. On the form entitled "**Actual DVBE Participation**", list the bidding firm's name, the name of other participating DVBEs, complete all items, and attach a copy of the DVBE certification issued by DGS for the bidding firm and all other participating DVBEs.

OR

2. ***If the prime contractor IS NOT a DVBE***, it must commit to use or subcontract out an amount equal to 3% of the total contract bid amount to qualified DVBE service providers and/or DVBE suppliers that will perform a commercially useful function. If this fits the bidding firm's situation, do the following:

Go to page 5. On the form entitled "**Actual DVBE Participation**", list each DVBE subcontractor, complete all items, and attach a copy of the DGS issued DVBE certification for each listed DVBE subcontractor.

OR

3. ***If the prime contractor IS NOT a DVBE, and the bid is solely soliciting information technology (IT) and/or telecommunications services, goods, supplies, equipment, and/or IT services and/or telecommunications services***, do the following:

If this fits the bidding firm's situation and bid situation, submit a copy of the bidding firm's "Notice of Approved DVBE Business Utilization Plan" issued by DGS.

Business Utilization Plans, when allowed, must be submitted to DGS' (PD) prior to the bid/proposal submission deadline and must be subsequently approved. Business Utilization Plans may not be submitted in lieu of actual DVBE participation or in lieu of performing the DVBE Good Faith Effort process for construction or non-IT service contracts.

Obtain instructions and information about Business Utilization Plans from:

Department of General Services – Procurement Division
Small Business and DVBE Services Branch
707 Third Street, 1st Floor, Room 400
West Sacramento, CA 95605

or by calling:

DGS' Receptionist at (800) 559-5529 or (916) 375-4940

or by visiting this DGS website: <http://www.pd.dgs.ca.gov/publications/utilization.htm>

OR

4. ***Conduct all five (5) steps of the "Good Faith Effort (GFE)"*** process to show what efforts were made to achieve DVBE participation. If the bidding firm is not a certified DVBE or cannot achieve a full 3% DVBE participation level of the total contract bid amount, do the following:

Go to page 3. Follow the instructions for each of the 5 Good Faith Effort steps. Document the GFE efforts on the form entitled "**Good Faith Effort**" appearing on pages 6 & 7.

DVBE Instructions

GFE Steps / Instructions

Document the GFE efforts on the forms in this package entitled "Good Faith Effort".

Do not delay until the final days before your bid is due to start this process.

The five GFE steps may require 4 weeks or more to complete.

1. **Dial (916) 650-0205 (DHCS voice mail line) and leave the caller's name, company name, company address, telephone number plus area code, DHCS bid number, and if desired leave a question to obtain assistance with any of the following:**
 - a. A referral to another state agency that provides DVBE listings and publication resources
 - b. Assistance in completing the DVBE forms in this package.
 - c. Answers to questions about DVBE participation and/or GFE documentation requirements.
2. **Contact other state AND federal agencies AND local DVBE organizations for assistance in identifying potential DVBE service providers or suppliers.**
 - a. Contact one or more California state agencies. The Department of General Services, Procurement Division (DGS-PD), Office of Small Business and DVBE Services (OSDS) qualifies as one of these contacts. Verbally contact DGS at (800) 559-5529 or (916) 375-4940 during normal business hours to obtain a list of certified DVBEs. This information can also be accessed by searching the online database at www.pd.dgs.ca.gov/smbus. Begin the search by selecting "Find Certified SBs and DVBEs." Then search using Keywords or by clicking on "Include SIC Codes in Search."
 - b. Contact one or more local California DVBE organizations listed in the DVBE Resource Packet to identify DVBEs. Visit this website to access DGS' current DVBE Resource Packet: <http://www.pd.dgs.ca.gov/publications/resource.htm>.
 - c. Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov/ to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Telephone inquiries are not accepted. First time users should access the on-line "help" instructions. Before claiming use of a CCR firm, verify the named DVBE is registered with DGS.
 - d. Enter on the form entitled "**Good Faith Effort**": Date/time of contact; name of organization contacted; contact method; and telephone number, email, or Internet address. Print out and attach a copy of each Internet website page visited (e.g., DGS' OSDS and federal SBA) to prove contacts made via the Internet.
3. **Unless GFE advertising is waived by DHCS due to time constraints, advertisements for DVBE service providers, subcontractors or suppliers must be placed in at least:**
 - a. One "trade" publication related to a trade or industry, and
 - b. One "focus" publication whose ads are specifically distributed and focused to reach DVBE firms, or
 - c. A single publication that qualifies as both a "trade" and "focus" publication. See DGS' DVBE Resource Packet for a listing of applicable publications.
 - 1) Ad placement may be specifically directed to publications that distribute their ads to businesses in the geographical areas where the work will be performed.
 - 2) **Ads should appear in publications 10–14 calendar days** prior to the date the bid or proposal response is due to be submitted to DHCS. Ads for DHCS procurements do not need to be publicized for a specific length of time.
 - 3) Give potential subcontractors/suppliers ample time (i.e., no less than 3-5 working days) to respond to the ad(s), while allowing sufficient time to seriously consider each firm that submits a response.
 - 4) **Ads should contain** information similar to the following:

[Enter name of bidding firm]
Is seeking qualified DVBE vendors to provide
[Enter description/list of services/supplies that qualify as a commercially useful function.]
in **[Enter geographical service areas/locations, if applicable]**
for DHCS IFB/RFP **[Enter DHCS IFB/RFP number]**
Contact: **[Enter a contact name, address, telephone and fax number, and/or email address]**
Submit qualifications by: **[date/time]** or
Submit bids by: **[date/time]**
 - 5) Ads placed in general circulation newspapers including the *LA Times* or the *Sacramento Bee* are not acceptable.

(Continued on next page)

DVBE Instructions

GFE Steps / Instructions (continued)

Document the GFE efforts on the forms in this package entitled "Good Faith Effort".

Do not delay until the final days before the bid is due to start this process.

The five GFE steps may require 4 weeks or more to complete.

Participation and GFE forms appear in the pages that follow.

- 6) If GFE advertising was not waived by DHCS, attach to the form entitled "**Good Faith Effort**" appearing on pages 6–7, either a copy of the placed ad(s) or a written description citing the exact wording of the ad(s). Indicate, in Step 3 on the Good Faith Effort form, the publication date, whether the publication is a trade publication, focus publication, or both, and whether an ad copy or written ad content is attached.

4. Transmit direct solicitations or invitations to bid to potential DVBEs, identified in Steps 2 and/or 3, by way of mail, telephone, email, fax, or other method.

- a. Submit a **one or more examples of direct solicitation**. Solicitations should contain: company name; contact name, address, telephone and fax number (if applicable), e-mail address (if applicable); DHCS' IFB/RFP number; a description/list of commercially useful goods and/or services for which subcontractors are sought; location of service area; and response date. If applicable, include a schedule for subcontractor performance and terms/conditions related to subcontractor payment.
- b. If contact with DVBE firms is verbal or by telephone, document in writing the date of contact, person contacted, and business/subcontract opportunities discussed.
- c. Submit a list of DVBE firms to whom direct solicitations were transmitted (i.e., DVBE bidders list). Include each DVBE firm's name, mailing address, contact name/title (if applicable), telephone/fax number, and email address (if applicable).

5. Show that DVBE firms that responded to the ad(s) and/or direct solicitations were considered. Bidding firms are encouraged to achieve full or partial DVBE participation. Review the Program Preference section of the bid document for information about the DVBE Incentive that is available to eligible bidders/proposers that achieve participation.

- a. List each DVBE firm that responded with interest to the bidding firm's ad(s), telephone/fax/email contacts, or direct solicitations. If no responses were received, indicate "none", as instructed in Step 5 on page 7.
- b. **For each DVBE listed in Step 5 on page 7, indicate if the bidding firm:**

- 1) **WILL USE** the DVBE to perform a commercially useful function for a specific percentage amount of the bid. For each DVBE that will be used, do the following:

Enter the name of the DVBE on the form entitled "**Actual DVBE Participation**". Indicate whom the DVBE will contract with, the commercially useful function the DVBE will provide or perform, the claimed percentage of use, and the contracting tier. Attach, to Page 5, a copy of the DVBE's current DGS certification.

- 2) **WILL NOT USE** the DVBE after giving consideration to such things as the DVBE's qualifications, availability when needed, capacity to perform/deliver the full range of services/supplies, location or proximity to the service area, results of reference checks, and/or the nature of the services offered by the DVBE or the nature of the goods that can be supplied by the DVBE, etc.

For each DVBE firm that will not be used, indicate, in Step 5 on page 7, the business reason(s) for choosing not to use the DVBE.

Mandatory Use of Identified DVBEs

If awarded the contract, the Contractor must faithfully use each DVBE identified for use and listed on the form entitled "**Actual DVBE Participation**". Exceptions are only allowed if the Contractor submits a Request for Substitution to the Contract Manager of the DHCS funding Program and the substitution request is subsequently approved by DHCS. An approved substitution is not an excuse for noncompliance with any provision of law.

Substitution instructions appear in either the "Special Terms and Conditions" or "Additional Provisions" exhibit clause entitled "Use of Disabled Veteran Business Enterprises". A copy of this exhibit is attached to the bid document and/or will be attached to the resulting contract.

Actual DVBE Participation

NAME OF DVBE FIRM IDENTIFIED FOR USE (Prime is to enter its own name, if the Prime is a certified DVBE)	FIRM THAT DVBE WILL CONTRACT WITH (Prime is to enter "Self", if the Prime is a certified DVBE)	COMMERCIALLY USEFUL FUNCTION TO BE PERFORMED OR PROVIDED BY THE IDENTIFIED DVBE	DVBE % Claimed	TIER (See legend below)

DVBE % Claimed:

Enter the percentage level of actual DVBE participation achieved, even if the amount of participation achieved is less than a full three percent (3%) of the total bid amount. Participation may be expressed as a partial/fractional decimal percentage. **Do not enter dollar figures in the "DVBE % Claimed" column.** An on this form imposes an obligation on the bidding firm to use the DVBE firm identified for the percentage value claimed. The budget/cost sheets, if required, that are submitted in bidding firm's proposal when responding to an IFB/RFP should include any DVBE service providers identified above, unless the bidding firm is uncertain of the budget period in which the DVBE will be used.

TIER = 0 = Prime Contractor

1 = Subcontractor/Supplier to the Prime Contractor

2 = Subcontractor/Supplier to a Level 1 Subcontractor/Supplier

3 = Subcontractor/Supplier to a Level 2 Subcontractor/Supplier, etc.

Attach to this form, a copy of the current DVBE certification issued by DGS for each DVBE listed in the first column. If a new or renewed certification request was recently approved by DGS, but confirmation of DVBE certification has not yet been received, place a footnote next to the DVBE's name and indicate on this form "DVBE Cert Pending" or "DVBE Cert to Follow".

Unless specifically indicated in the bid document, DHCS will not accept state or federal business utilization plans in lieu of meeting DVBE participation and/or GFE requirements when DHCS solicits bids/proposals from firms to perform non-IT services.

This form may be photocopied or reproduced in a like form for inclusion in a bid response. Bidding firms that choose to render a like copy of this form by computer or other means are advised to omit pages 1–4 that contain instructions.

Please do not return or include in the bid response, a copy of the DVBE instructions preceding this form.

Bidding/Proposing Firm's Name	Signature
Printed Name/Title of Person Signing Above	Date Signed

Good Faith Effort**Steps 1 and 2**

Show the date and method of contact with DHCS **and** show the contacts made with one or more other California state agencies **and** the Federal SBA **and** one or more California local DVBE organizations (see DGS' Resource Packet).

DATE OF CONTACT	TIME OF CONTACT	NAME OF AGENCY OR ORGANIZATION CONTACTED	CONTACT METHOD (Enter voice mail, internet access, or name of person contacted)	PHONE NUMBER, EMAIL OR WEB ADDRESS
		Dept. of Health Care Services		(916) 650-0205
		Dept. of General Services' Small Business and DVBE Services	Voice mail	(916) 375-4940 or (800) 559-5529
		Dept. of General Services' Small Business and DVBE Services	Internet access **	http://www.pd.dgs.ca.gov/smbus/contact.htm
		U.S. SBA Central Contractor Registration (CCR)	Internet access only **	http://www.ccr.gov
			** Attach one copy of each Internet website page that is visited as proof of this portion of the good faith effort.	

Step 3

Show proof of advertising in one trade and one DVBE focus publication, **OR** one publication qualifying as both a trade and a DVBE focus publication. Be certain to attach the appropriate ad copies or other cited documentation.

NAME OF PUBLICATION SOURCE	PUBLICATION DATE(S)	TYPE OF PUBLICATION Check the one that applies.			COPY OF AD ATTACHED	AD CONTENT ATTACHED
		Trade	Focus	Both		

Step 4

Show proof that direct invitations to bid were transmitted to potential DVBEs by way of mail, email/fax, telephone, or other method.

A. At a minimum attach, to this form, one or more examples of invitations to bid or solicitations that were transmitted directly to potential DVBEs. Bidding firm's may attach:

- One or more examples of the direct solicitations used to solicit bids from potential DVBE subcontractors/suppliers, **and/or**
- One or more copies of the narrative content of an emailed invitation to bid that was transmitted to potential DVBE subcontractors/suppliers **or** one or more copies of a faxed invitation to bid that was transmitted to potential DVBE subcontractors/suppliers, **and/or**
- A full description of the verbal dialog held with a potential DVBE subcontractor/supplier via telephone or personal meeting, including date of contact, person spoken to, and potential business opportunities discussed.

B. Attach to this form a copy of the DVBE bidder list. This is the list of certified DVBE firms to whom direct solicitations or invitations to bid were transmitted and may include the DVBE firms that responded to the bidding firm's published ad(s).

- Include each certified DVBE firm's name, mailing address, email address (if applicable), telephone and fax number.

(Continued on the next page)

Step 5

[illegible]

**INDICATE YOUR PROPOSED
USE OF EACH DVBE**
(Complete the appropriate column below and
show percentage use, if applicable)

**REASON(S) FOR NOT CHOOSING TO USE
THIS DVBE**
(Enter a business reason for not selecting each firm
identified in Column 2B)

COLUMN 1

COLUMN 2A

Will Use __ Percent

COLUMN 2B

X = Will Not Use

COLUMN 3

%

%

%

%

%

%

%

%

%

%

%

Completion Instructions

For each entry in Column 2A, transfer the firm's name and claimed percentage value of use to the form entitled **"Actual DVBE Participation"**. Complete Column 2A, only for those DVBEs that the bidding firm intends to subcontract with. An entry in Column 2A will impose an obligation on the bidding firm to use the DVBE firm identified for the percentage value claimed. DVBE participation may be expressed as a partial/fractional decimal percentage.

Place an "X" in Column 2B for each interested DVBE that the bidding firm does not intend to use.

Complete Column 3 for each "X" placed in Column 2B. In Column 3, indicate the business reason(s) for electing not to use the DVBE firm.

This form may be photocopied or reproduced in a like form for inclusion in a bid response. Bidding firms that choose to render a like copy of this form by computer or other means are advised to omit pages 1–4 that contain instructions.

Sole authority rests with DHCS to determine whether or not a bidder/proposer has successfully documented actual DVBE participation and/or whether a bidder/proposer has made an adequate GFE to achieve participation. Bidders/proposers may, at their sole option, choose to submit both forms in this package (documenting both full participation and a GFE) as insurance against a finding that the actual participation claimed is unacceptable.

If a bidder/proposer chooses to do so, it may fax its proposed DVBE participation and/or Good Faith Effort forms to DHCS for a preliminary acceptance review by dialing (916) 650-0111. Do not transmit any other bid response materials to this facsimile number. DHCS will attempt to complete its preliminary DVBE acceptance review within three (3) working days following the date of receipt.

Bidding/Proposing Firm's Name

Signature

Printed Name/Title of Person Signing Above

Date Signed

DVBE Subcontractor/Supplier Participation Acknowledgement

Name of Bidding Firm / Prime Contractor	DHCS IFB or RFP Number:
Total Percentage of DVBE Participation/Use <i>(Do not enter dollar amounts)</i>	

This document confirms and acknowledges that the DVBE firm named below agreed to be identified by a bidding firm as a DVBE subcontractor and/or supplier in response to a DHCS procurement.

DVBE Subcontractor acknowledgements:

- A. The DVBE subcontractor identified herein acknowledges its commitment to perform or provide services/labor or supplies equal to a percentage of the total bid/cost or proposal price submitted by the bidding firm identified above.
- B. The DVBE subcontractor identified named herein acknowledges the percentage value of claimed participation as identified above.
- C. The DVBE subcontractor identified herein agrees to provide the subcontracted services/labor or supplies identified herein under the resulting contract if the bidding firm named above receives the contract award:

Below and/or continued on an attachment is a brief description or list of the commercially useful function(s) that the DVBE subcontractor/supplier identified herein will provide or supply in support of the resulting contract award. The identification of commercially useful functions (CUF) herein does not limit the provision of alternate or additional services or supplies that also meet the definition of CUF as defined in state regulation. ***This form may be photocopied or reproduced in a like form for inclusion in a bid response.***

The DVBE subcontractor identified herein understands that it is its sole responsibility to contact the bidding firm identified above to learn if the Bidder/Proposer was awarded the contract pursuant to the referenced DHCS bid number and to confirm its subcontract agreement. The bidding firm is obligated to use each DVBE subcontractor or supplier identified in its bid/proposal pursuant to Title 2 California Code of Regulations Section 1896.62. An approved substitution made pursuant to Title 2 California Code of Regulations Section 1896.64 is not an excuse for noncompliance with any other provision of law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Sections 4100 et seq., Public Contract Code) or any other contract requirements relating to the substitution of subcontractors.

The person signing below certifies the information supplied on this form is true and accurate to the best of its knowledge and agrees to allow DHCS to confirm any and all claims herein, as deemed necessary.

Name of Proposed DVBE Subcontractor/Supplier		Date Signed
Signature of Authorized DVBE Representative	Telephone number ()	Email address (if applicable)
Printed/Typed Name	Title	